

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

This announcement has been prepared by Eindex Corporation Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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Unaudited Financial Statements for the Financial Year Ended 31 December 2017

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Full Year Ended 31.12.2017 (unaudited) S\$'000	Full Year Ended 31.12.2016 (audited) S\$'000	Increase/ (Decrease) %
Group			
Revenue	14,102	16,684	(15)
Cost of sales	(9,680)	(10,030)	(4)
Gross profit	4,422	6,654	(34)
Other income	521	81	n.m.
Administrative expenses	(6,610)	(6,882)	(4)
Other operating expenses	(84)	(18)	n.m.
Results from operating activities	(1,751)	(165)	n.m.
Finance costs	(97)	(124)	(22)
Loss before income tax	(1,848)	(289)	n.m.
Income tax income/(expense)	-	(552)	n.m.
Loss for the year	(1,848)	(841)	n.m.

Loss per share attributable to owners of the Company

	Full Year Ended 31.12.2017 (unaudited) Singapore Cents	Full Year Ended 31.12.2016 (audited) Singapore Cents	Increase/ (Decrease) %
Group			
Basic and diluted	(1.72)	(0.79)	118

n.m. denotes not meaningful

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- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Statement of Comprehensive Income for Full Year Ended 31 December 2017

	Full Year Ended 31.12.2017 (unaudited) S\$'000	Full Year Ended 31.12.2016 (audited) S\$'000	Increase/ (Decrease) %
Group			
Loss for the year	(1,848)	(841)	n.m.
Other comprehensive income			
<i>Items that will may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	50	(297)	n.m.
Total comprehensive loss for the year, net of tax	(1,798)	(1,138)	(58)

n.m. denotes not meaningful

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1(a)(ii) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

The loss before income tax is arrived at after charging/ (crediting) the following items:

	Full Year Ended 31.12.2017 (unaudited) S\$'000	Full Year Ended 31.12.2016 (audited) S\$'000	Increase/ (Decrease) %
Group			
Depreciation of property, plant and equipment ⁽¹⁾	305	349	(13)
Gain on disposal of plant and equipment	(168)	-	n.m.
Amortisation of intangible assets	195	202	(3)
Impairment of intangible assets	94	-	n.m.
Interest income	(6)	(11)	(46)
Interest expense	97	124	(22)
Plant and equipment written off	1	4	(75)
Allowance for doubtful debts	63	-	n.m.
Net foreign exchange loss	20	14	43

Notes:

⁽¹⁾ Included in cost of sales and administrative expenses.

n.m. denotes not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,344	4,387	-	-
Intangible assets	640	667	-	-
Subsidiaries	-	-	9,300	9,300
Total non-current assets	4,984	5,054	9,300	9,300
Current assets				
Inventories	3,436	3,349	-	-
Trade and other receivables	8,472	8,590	4,870	5,371
Cash and bank balances	4,179	4,924	21	50
Total current assets	16,087	16,863	4,891	5,421
Total assets	21,071	21,917	14,191	14,721
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	14,917	14,917	14,917	14,917
Reserves	(10,628)	(10,759)	-	-
Retained earnings	7,596	9,525	(3,104)	(2,349)
Total equity	11,885	13,683	11,813	12,568

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (Cont'd)

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Finance leases	28	4	-	-
Deferred income	98	-	-	-
Deferred tax liabilities	153	175	-	-
Total non-current liabilities	279	179	-	-
Current liabilities				
Bank overdrafts and loans	1,075	182	-	-
Trade and other payables	7,768	7,230	2,378	2,153
Finance leases	11	23	-	-
Income tax payable	53	620	-	-
Total current liabilities	8,907	8,055	2,378	2,153
Total equity and liabilities	21,071	21,917	14,191	14,721

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group			
As at 31.12.2017 (unaudited)		As at 31.12.2016 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,086	-	205	-

Amount repayable after one year

Group			
As at 31.12.2017 (unaudited)		As at 31.12.2016 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
28	-	4	-

Details of any collateral

- (a) Bank overdrafts and loans are secured by a charge over the following:
- (i) legal mortgage over the Group's freehold property; and
 - (ii) deed of debenture provided by a subsidiary for Ringgit Malaysia 10 million.
- (b) The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Full Year Ended 31.12.2017 (unaudited) S\$'000	Full Year Ended 31.12.2016 (audited) S\$'000
Operating activities		
Loss before income tax	(1,848)	(289)
Adjustments for:		
Interest income	(6)	(11)
Interest expenses	97	124
Allowance for doubtful debts	63	-
Amortisation of intangible assets	195	202
Impairment of intangible assets	94	-
Depreciation of property, plant and equipment	305	349
Plant and equipment written off	1	4
Gain on disposal of plant and equipment	(168)	-
Realisation of reserve on liquidation of a foreign subsidiary	-	87
Unrealised exchange differences	(21)	(147)
	(1,288)	319
Change in working capital:		
Trade and other receivables	55	(4,075)
Inventories	(87)	(955)
Trade and other payables	685	1,766
Cash used in operations	(635)	(2,945)
Interest received	6	11
Income tax paid	(567)	(376)
Government grant received	98	-
Net cash used in operating activities	(1,098)	(3,310)

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Full Year Ended 31.12.2017 (unaudited) S\$'000	Full Year Ended 31.12.2016 (audited) S\$'000
Group		
Investing activities		
Purchase of plant and equipment [Note A]	(568)	(153)
Proceeds from disposal of plant and equipment	577	-
Amount due from ultimate holding company (non-trade)	-	101
Expenditure on intangible assets	(270)	(326)
Net cash used in investing activities	(261)	(378)
Financing activities		
Interest paid	(97)	(124)
Amount due to ultimate holding company (non-trade)	(147)	(314)
Proceeds from short-term financing	315	-
Repayment of:		
- bank loans	(186)	(230)
- finance lease	(27)	(23)
Payments for listing expenses	-	(1,926)
Proceeds from issue of shares	-	7,518
Net cash (used in)/from financing activities	(142)	4,901
Net (decrease)/increase in cash and cash equivalents	(1,501)	1,213
Cash and cash equivalents at beginning of financial year	4,924	3,792
Effects of exchange rate changes on cash and cash equivalents	(4)	(81)
Cash and cash equivalents at end of financial year	3,419	4,924

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Full Year Ended 31.12.2017 (unaudited)	Full Year Ended 31.12.2016 (audited)
Group	S\$'000	S\$'000
Cash and cash equivalents as per statement of financial position comprising:		
Cash at bank	3,429	2,172
Fixed deposits	750	2,752
Sub-total	4,179	4,924
Bank overdraft	(760)	-
Cash and cash equivalents as per consolidated statement of cash flows	3,419	4,924

Note A: In FY2017, the Group acquired plant and equipment with an aggregate cost of S\$0.61 million (FY2016: S\$0.15 million) of which S\$0.57 million (FY2016: S\$0.15 million) was paid in cash, S\$39,000 (FY2016: Nil) was acquired by means of finance lease.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Merger reserve	Translation reserve	Statutory Reserve	Retained earnings	Total
Group (unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	14,917	(9,138)	(1,664)	43	9,525	13,683
Total comprehensive income for the year:						
Loss for the year	-	-	-	-	(1,848)	(1,848)
Other comprehensive income for the year, net of tax	-	-	50	-	-	50
Total			50		(1,848)	(1,798)
Transfer to statutory reserve	-	-	-	81	(81)	-
Balance at 31 December 2017	14,917	(9,138)	(1,614)	124	7,596	11,885

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Share capital	Merger reserve	Translation reserve	Statutory Reserve	Retained earnings	Total
Group (audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	9,300	(9,225)	(1,367)	43	10,366	9,117
Total comprehensive income for the year:						
Loss for the year	-	-	-	-	(841)	(841)
Other comprehensive loss for the year, net of tax	-	-	(297)	-	-	(297)
Total	-	-	(297)	-	(841)	(1,138)
Transactions with owners, recognised directly in equity						
Issue of new ordinary shares	7,518	-	-	-	-	7,518
Transaction cost related to the issuance of new shares	(1,901)	-	-	-	-	(1,901)
Liquidation of a foreign subsidiary	-	87	-	-	-	87
Total	5,617	87	-	-	-	5,704
Balance at 31 December 2016	14,917	(9,138)	(1,664)	43	9,525	13,683

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Share capital	Retained Earnings	Total
Company (unaudited)	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	14,917	(2,349)	12,568
Loss for the year, representing total comprehensive loss for the year	-	(755)	(755)
Balance at 31 December 2017	14,917	(3,104)	11,813

	Share capital	Retained Earnings	Total
Company (audited)	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	9,300	(1,398)	7,902
Loss for the year, representing total comprehensive loss for the year	-	(951)	(951)
Transactions with owners, recognised directly in equity			
Issue of new ordinary shares	7,518	-	7,518
Transaction cost related to the issuance of new shares	(1,901)	-	(1,901)
Total	5,617	-	5,617
Balance at 31 December 2016	14,917	(2,349)	12,568

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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	No. of shares ('000)	Issued and paid up share capital (S\$'000)
<u>Ordinary shares</u>		
Balance as at 31 December 2017 and 30 June 2017	107,700	14,917

As at 31 December 2017 and 31 December 2016, there were 71,799,958 warrants outstanding. Each warrant carries with the right to subscribe for one new share at the exercise price of S\$0.12 and will expire on 2 September 2019. Save for the aforementioned, the Company did not have any outstanding convertibles as at 31 December 2017 and 31 December 2016.

The Company did not have any treasury shares and/or subsidiary holdings as at 31 December 2017 and 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	31.12.2017	31.12.2016
Total number of issued shares excluding treasury shares ('000)	107,700	107,700

There were no treasury shares as at 31 December 2017 and 31 December 2016.

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1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the financial year ended 31 December 2017 ("FY2017").

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have subsidiary holdings during and as at the end of FY2017.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures in this announcement have not been audited or reviewed by Company's auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5, the accounting policies and methods of computation applied by the Group for the financial statements for the current financial year reported on are consistent with those used in its most recently audited financial statements for the financial year ended 31 December 2016 ("FY2016").

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted the new or revised Financial Reporting Standard ("FRS") and the interpretation of FRS ("IFRS") that become effective for the entities with their financial periods commencing 1 January 2017. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for FY2017.

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6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per ordinary share of the Group for the financial year based on net loss attributable to owners of the Company are as follows:-

	Group	
	Full Year Ended	Full Year Ended
	31.12.2017 (unaudited)	31.12.2016 (audited)
Basic and diluted loss per ordinary share (Singapore cents)	(1.72)	(0.79)
Weighted average number of ordinary shares in issue ('000)	107,700	106,526

Earnings per ordinary share for FY2017 and FY2016 are calculated based on net loss attributable to the owners of the Company for the respective financial year divided by the weighted average number of ordinary shares in issue during the respective financial year.

For FY2017 and FY2016, the basic and diluted loss per ordinary share were the same as the potentially dilutive ordinary shares arising from the outstanding warrants were anti-dilutive given the loss position for the respective periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31.12.2017 (unaudited)	31.12.2016 (audited)	31.12.2017 (unaudited)	31.12.2016 (audited)
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (Singapore cents)	11.03	12.70	10.97	11.67

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The net asset value per ordinary share of the Group and the Company as at 31 December 2017 and 31 December 2016 are calculated based on the total number of issued ordinary shares of 107,700,000.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

8(a) Income Statement

(i) Revenue

The Group recorded S\$14.10 million in revenue in FY2017. Compared to FY2016, the Group's total revenue dropped by 15% or S\$2.58 million, mainly as a result of the following:

1. Heating, ventilation and air conditioning ("HVAC") revenue dropped by 30% or S\$2.02 million to S\$4.81 million in FY2017 compared to S\$6.83 million in FY2016, due to slowdown in the residential and non-residential constructions in Singapore.
2. As a result of recovery of semiconductor industry, the Group saw an increase in revenue for Cleanroom Equipment ("CRE") segment. CRE segment reported a 43% increase in revenue from S\$4.02 million in FY2016 to S\$5.74 million in FY2017.
3. Air purification dropped by 42% or S\$2.27 million to S\$3.11 million in FY2017 compared to S\$5.38 million in FY2016. The decrease was mainly due to deferred deliveries of certain projects in The People's Republic of China ("PRC").

(ii) Operating Results

Overall profitability

The Group reported an overall decrease in gross margin from 39.9% in FY2016 to 31.4% in FY2017 mainly due to (i) stiff market competitiveness; and (ii) increase in raw material price especially steel. According to The Economic Intelligence Unit (EIU), China's steel price reached above US\$500 per tonne (FOB) in first half of FY2017, which was the highest level since year 2014. The rising cost of raw materials was also attributed to stronger United States

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Dollar (“USD”) as certain raw materials were traded in USD or fluctuated with USD movement.

The Group’s administrative expenses remained relatively consistent as per FY2016.

Other significant factors that affected the Group’s profitability were:

1. The Group recorded higher other income of S\$0.52 million in FY2017 compared to S\$81,000 in FY2016 mainly due to (i) gain on disposal of fixed assets amounted to S\$0.17 million; and (ii) 2 months interest charged on the delay in repayment of refundable deposit in accordance with a sale contract in PRC amounted to S\$0.27 million.
2. The Group recorded higher operating expenses due to provision for doubtful debts of S\$63,000.
3. The Group relocated its Singapore’s production activity to Malaysia following the shifting to the new corporate office in June 2017. As a result, the Group recognised lower depreciation expenses of S\$44,000 or 13% in FY2017.
4. The Group impaired intangible assets amounted to S\$94,000 in FY2017 due to the cessation of the sale of a product related to the technology.

Finance costs

The Group’s finance costs decreased by 22% or S\$27,000 in FY2017 as compared to FY2016. The decrease in finance costs was mainly due to partial repayment of loan due to ultimate holding company. The interest was charged at a rate equivalent to the three (3) month Singapore Swap Offer Rate plus 3.5% in accordance with a deed of undertaking.

Income tax expense

In FY2017, the Group recognized income tax expense of S\$36,000 which was offset by the overprovision of prior year income tax expense amounting to S\$36,000 from its subsidiaries in PRC and Singapore. As compared to FY2016, the decrease in income tax expense was in tandem with the overall loss-making position of the Group.

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8(b) Statement of financial position

The Group had positive working capital of S\$7.18 million as at 31 December 2017, compared to S\$8.81 million as at 31 December 2016. As at 31 December 2017, the net asset value stood firm at 11.03 cents per share.

(i) Non-current assets

Intangible assets decreased marginally by 4% from S\$0.67 million as at 31 December 2016 to S\$0.64 million as at 31 December 2017. The decrease was due to taking into account the amortisation expense of S\$0.20 million and impairment cost of S\$94,000 for a technology which the Group had ceased selling, offset by capitalisation of development cost for new air purification equipment amounted to S\$0.27 million.

(ii) Current assets

(a) Inventories as at 31 December 2017 remained at the similar level as at 31 December 2016.

(b) The Group's trade and other receivables comprised of trade receivables of S\$7.91 million (2016: S\$6.02 million) and other receivables of S\$0.56 million (2016: S\$2.57 million). The Group's debtor turnover days increased from 132 days as at 31 December 2016 to 206 days as at 31 December 2017, mainly due to slow repayment of certain customer groups which were project based. The increase in trade receivables was offset by the decrease in other receivables of S\$2.01 million, due to the refund of deposit placed with a customer for a project in PRC. As a result, the aggregate trade and other receivables decreased marginally from S\$8.59 million as at 31 December 2016 to S\$8.47 million as at 31 December 2017.

(iii) Current liabilities

(a) The Group's loans and borrowings increased by S\$0.89 million from 31 December 2016 to S\$1.08 million as at 31 December 2017. The increase was mainly due to drawdown of overdraft facilities of S\$0.76 million and net increase in the utilisation of credit facilities of S\$0.13 million. The increase in loans and borrowings was due to higher working capital requirement for the Group's operation in Malaysia.

(b) The Group's creditor's turnover days increased from 182 days as at 31 December 2016 to 197 days as at 31 December 2017 due to slower repayment to suppliers.

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Correspondingly, trade and other payables increased from S\$7.23 million as at 31 December 2016 to S\$7.77 million as at 31 December 2017.

- (c) In tandem with the decrease in tax liability due to losses incurred by the Group, tax payable decreased from S\$0.62 million as at 31 December 2016 to S\$53,000 as at 31 December 2017.

(iv) Non-current liabilities

- (a) The non-current portion of finance leases increased from S\$4,000 as at 31 December 2016 to S\$28,000 as at 31 December 2017 due mainly to increased finance lease amounted to S\$30,000 for the purchase of plant and equipment and the reclassification of non-current portion of finance leases from non-current liabilities to current liabilities of S\$6,000.
- (b) The research and development grants offered by government bodies of China amounted to S\$98,000 related to a technology which was still under development as at 31 December 2017. Correspondingly, the said amount was recognised as deferred income.

8(c) Statement of cash flows

The Group's cash and cash equivalents as per consolidated statement of cash flows was S\$3.42 million as at 31 December 2017. The net decrease in cash and cash equivalents of S\$1.50 million for FY2017 was mainly due to:

- (i) net cash outflow from operating activities of S\$1.10 million as a result of operating losses incurred by the Group;
- (ii) net cash outflow of S\$0.26 million used in investing activities. The cash outflow spent on capital expenditure of S\$0.57 million and development cost capitalised as intangible assets of S\$0.27 million were partially offset by proceeds from disposal of plant and equipment of S\$0.58 million; and
- (iii) net cash outflow of S\$0.14 million used in financing activities mainly due to repayment of bank loans and amount due to ultimate holding company totaled S\$0.36 million, offset by proceeds from short-term financing of S\$0.32 million.

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9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The unaudited financial results for FY2017 set out in this announcement are in line with the profit guidance announcement released by the Company on 31 January 2018.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore remains the principal market for the HVAC and CRE businesses, being the core business segments of the Group. HVAC and CRE segments are likely to ride on the wave of the strengthened demand in construction for both public sector and private sector. The Building and Construction Authority (“BCA”) estimated public projects worth between \$16 billion and \$19 billion will be awarded in FY2018, an increase from S\$15.5 billion last year. The demand for private sector’s construction is expected to improve from S\$9 billion in FY2017 to between S\$10 billion and S\$12 billion in FY2018. This comes on the back of a strengthened overall economic outlook and an upturn in property market sentiment, as well as the redevelopment of collective-sale sites.

Air pollution in China remains as one of the Chinese Government’s biggest concerns. We see strong demand for high quality air purification systems since the Government has mandated elementary schools to install air purification system since FY2016. Moving forward, the Group will continue its effort in expanding its foothold in elementary schools, hotels, commercial and residential buildings and healthcare segments.

The Group will remain focused on strengthening its presences of its core businesses in Singapore and China, and put further efforts on improving the operational efficiency while exploring other growth opportunities.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended/declared for the current financial period reported on?

No dividend has been declared or recommended for FY2017.

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(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for FY2017.

13 If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for recurrent interested person transactions. The aggregate value of interested person transactions entered into during FY2017 is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Henan Xingwei Property Co. Ltd. - Sale of air purification system	116	-

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Henan Xingwei Property Co. Ltd., a subsidiary of Weiye Holdings Limited, the parent company of the Group, is considered an interested person to the Company under the SGX-ST Listing Manual Section B: Rules of Catalyst (“Catalist Rules”).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

For management purpose, the Group is organized into business units based on the products and services offered, and has three reportable operating segments as follows:

(i) Clean room equipment (“CRE”)

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. Clean room equipment includes fan filter units, air showers, clean booths, pass boxes, clean hand dryers and clean benches, amongst others.

(ii) Heating ventilation and air-conditioning products (“HVAC”)

Heating ventilation and air-conditioning products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space.

(iii) Air purification equipment (“Air Purification”)

Air purification equipment (also referred to as air cleaners) are electrical devices that remove solid and gaseous pollutants from the air such as formaldehyde and PM2.5 which may pose adverse health risks that include breathing difficulties, asthma and allergies. Through the function of air filters or sterilizing systems built into each air purification equipment, the concentration of dust, contaminants, fine particles and volatile organic compounds in the air are reduced to the benefit of individuals within the immediate vicinity.

(iv) Others

Others refers to cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)

Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

There are no inter-segment sales within the Group.

The following is an analysis of the Group's revenue and results by reportable segment:

Group	Revenue		Net Profit/(Loss)	
	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
CRE	5,740	4,017	(1,045)	(822)
HVAC	4,809	6,825	(381)	(445)
Air Purification	3,112	5,380	(614)	1,075
Others	441	462	69	(32)
	14,102	16,684	(1,971)	(224)
Other income			241	77
Other expenses			(21)	(18)
Finance costs			(97)	(124)
Loss before income tax			(1,848)	(289)
Income tax expense			—	(552)
Loss for the year			(1,848)	(841)

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14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

	As at 31.12.2017 (unaudited) S\$'000	As at 31.12.2016 (audited) S\$'000
<u>Segment Assets</u>		
CRE	3,437	2,510
HVAC	2,473	2,656
Air Purification	8,609	8,607
Others	37	36
Total segment assets	14,556	13,809
Unallocated assets	6,515	8,108
Consolidated total assets	21,071	21,917
<u>Segment Liabilities</u>		
CRE	610	788
HVAC	29	85
Air Purification	4,276	3,824
Total segment liabilities	4,915	4,697
Unallocated liabilities	4,271	3,537
Consolidated total liabilities	9,186	8,234

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EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)

Other segment information

	<u>CRE</u>		<u>HVAC</u>		<u>Air Purification</u>		<u>Others</u>		<u>Unallocated</u>	
	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended
	31.12.2017 (unaudited)	31.12.2016 (audited)	31.12.2017 (unaudited)	31.12.2016 (audited)	31.12.2017 (unaudited)	31.12.2016 (audited)	31.12.2017 (unaudited)	31.12.2016 (audited)	31.12.2017 (unaudited)	31.12.2016 (audited)
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for doubtful debts	-	-	63	-	-	-	-	-	-	-
Amortisation of intangible assets	-	-	-	-	195	202	-	-	-	-
Capital expenditure	-	-	-	-	270	388	-	-	607	91
(Gain)/loss on disposal of plant and equipment	-	-	-	-	-	-	-	-	(168)	-
Impairment loss of intangible assets	-	-	-	-	94	-	-	-	-	-
Depreciation of property, plant and equipment	151	95	124	162	24	81	6	11	-	-

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14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of these assets.

Group	Revenue		Non-Current Assets	
	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	7,501	8,520	509	384
PRC	3,080	5,759	795	755
Malaysia	2,401	648	3,680	3,915
Others	1,120	1,757	-	-
	14,102	16,684	4,984	5,054

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8 above.

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16. A breakdown of sales

	Group		Increase/ (Decrease)
	Full Year Ended 31.12.2017 (unaudited)	Full Year Ended 31.12.2016 (audited)	
	S\$'000	S\$'000	%
(a) Sales reported for first half of year	6,904	9,824	(30)
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(741)	277	n.m.
(c) Sales reported for second half of year	7,198	6,860	5
(d) Operating loss after tax before deducting minority interests reported for second half year	(1,107)	(1,118)	(1)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director of chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) of the Listing Manual – Rules of Catalyst.

There is no relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) occupying a managerial position in the issuer or any of its principal subsidiaries.

19. Use of proceeds

Pursuant to the Company's Initial Public Offering ("IPO"), the Company received net proceeds from the IPO of S\$4.55 million (the "Net Proceeds"). Please refer to the Company's Offer Document dated 6 January 2016 for further details.

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19 Use of proceeds (Cont'd)

As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) (\$'000)	Net Proceeds Utilised As At The Date of This Announcement (\$'000)	Balance of Net Proceeds As At The Date of This Announcement (\$'000)
Establishment of a new business for environmental and technological solutions products in China	3,300	2,889	411
Investment in the research and development of new and existing products and establishment and enhancement of manufacturing capabilities	500	500	-
Working Capital ⁽¹⁾	750	750	-
Total	4,550	4,139	411

Note:

(1) The amount allocated for working capital had been utilised mainly for the payment of raw material purchases and other expenses pertaining to the Group's operations in Malaysia.

20 Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings under Rule 720(1) of the Catalist Rules from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD
EINDEC CORPORATION LIMITED

Zhang Wei
Non-Executive Chairman

Singapore, 26 February 2018